

ORDER

DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION

WE 2500.19C

7/2/80

SUBJ: WESTERN REGION REIMBURSABLE AGREEMENTS

- * 1. PURPOSE. This order restates existing policy and procedures for the region to negotiate, prepare and execute reimbursable agreements covering services and materiel provided to other Federal and non-Federal parties within the Western Region. It does not apply to agreements that cross regional boundaries. *
2. DISTRIBUTION. This order is distributed to the division level (less AC, LG and AF) in the Regional Office, to the branch level in Accounting, Airway Facilities and Logistics Divisions, and to all Airway Facilities Sector Headquarters.
- * 3. CANCELLATION. WE 2500.19B, Western Region Reimbursable Agreements dated April 4, 1978. *
4. RESPONSIBILITIES.
- * a. Program and Planning Offices will inform the Contracting Officer of the need for an agreement in writing. The request will provide a breakdown of the service and/or equipment along with the estimated cost of each major item in the project.
- b. Contracting Officer is an employee assigned to the Logistics Division who has been delegated contracting authority by the Regional Director and is responsible for the negotiation, preparation and execution of reimbursable agreements.
- c. Field and Sector Offices will provide or certify bills for the Accounting Division so they can take action to receive or make payment for services and/or materiel funded from operational funds. *
- d. Establishment Engineering Branch, AWE-450, has the responsibility for management of projects that are funded by Facility and Equipment (F&E) appropriations. The Establishment Engineering Branch accomplishes the project within the authority given by the Programs and Planning Branch, AWE-420, on project assignment sheets. All expenditure documents are certified by the Establishment Engineering Branch and forwarded to the Accounting Division, AWE-20, which prepares reimbursement billing. Final billing will not be made until authorized by the Program and Planning Branch.
- e. The Accounting Division is responsible for billing or paying for services and materiel, either furnished or received, in accordance with

Distribution:

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Initiated By:

AWE-52

7/2/80

billing procedures stated in reimbursable agreements. Problems which arise in the process of billing or paying should be brought to the attention of the Contracting Officer.

- * f. The Budget Division will review all proposed reimbursable agreements to insure budgetary compliance with Order 2500.35C. The Budget Division will provide ABU-1 with the fiscal data required in the referenced order and copies of the executed agreement. The provisions in a reimbursable agreement cannot be carried out until assurance is received from the Budget Division that adequate funding is available. *

5. ESTIMATING COSTS FOR REIMBURSABLE AGREEMENTS. One of the essential elements in negotiating a reimbursable agreement is an accurate cost estimate.

- * All cost estimates must be carefully prepared and may require engineering studies and/or on-site investigations. The cost estimates should include one or more of the following:

- a. Engineering (civil or electronic).
- b. Construction services.
- c. Installation services.
- d. Flight inspection.
- * e. Government furnished equipment. *
- f. Engineering and administrative overhead.
- * (1) 10% if the signer to an agreement is a Federal party. *
- * (2) 12% if the signer to an agreement is a non-Federal party. *
- g. Direct labor hours plus a predetermined percentage of the total dollar value of those hours to cover the costs of leave and benefits.

- * 6. NUMBERING AGREEMENTS. Agreements initiated within the region will be assigned an eight digit identification number which consists of a prefix (AWE), a hyphen, a letter, a hyphen, the fiscal year, a hyphen, and a sequential two digit number as follows: *

EXAMPLE

- * AWE-M-81-01 (executed by the Materiel Management Branch) *
- * AWE-R-81-01 (executed by the Real Estate & Utilities Branch) *

7/2/80

WE 2500.19C

*7. ENVIRONMENTAL IMPACT STATEMENTS. The FAA office sponsoring the agreement is responsible for assuring that environmental procedures and policies are followed in accordance with FAA Order 1050.1C, Policies and Procedures for Considering Environmental Impacts.

8. DISTRIBUTION OF AGREEMENTS. Agreements which are executed in the Western Region will be distributed by the Logistics Division as follows: *

	AWE-7	1 copy	All agreements	
	AWE-20	3 copies	All agreements	
	AWE-30	4 copies	All agreements	
	AWE-200	1 copy	If involved	
*	AWE-400	2 copies	If involved	*
	AWE-500	1 copy	If involved	
	AWE-600	1 copy	If involved	
	AFS-500	1 copy	If involved	
	AAC-480	1 copy	If for supply support	
*	Field Offices	1 copy	If involved	*

9. ANNUAL REVIEW. All operations agreements require an annual review by the Facility Chief who is directly involved in the administration of the services performed or received. The primary purpose of the review is to determine whether each agreement should be continued, modified or terminated.

* a. Agreements which contain an automatic renewal clause may require changes to the appropriation code. *

b. Reviews should be accomplished whenever deemed necessary but not later than a period specified in the termination or liquidation articles of the agreement.

* c. Problems which arise as a result of each review should be brought to the attention of the Contracting Officer for resolution. *

10. USE OF AN ESCALATOR CLAUSE. Consideration should be given to the use of an escalator clause or the inclusion of language in the agreement that would permit adjustment of the agreed-upon-price to cover unanticipated price increases, such as pay raises, flight checking rates, and fluctuating materiel costs.

If for any reason collections are not made for the performance of a reimbursable program, the FAA must charge its own appropriations for obligations incurred. (Reference Order 2500.35C)

*11. LATE PAYMENT CHARGES. All agreements where the FAA provides a service to a non-Federal Government agency will include a clause to assess a late payment penalty. Reference Public Law 92-41, 84 Stat 97.

12. WHEN FAA IS THE RECEIVING AGENCY, the agreement normally is written by *

7/2/80

*the other party and coordinated within FAA by the Contracting Officer before the agreement is executed. Copies are distributed in accordance with Paragraph 8. *

A handwritten signature in black ink, appearing to read "R.C. D'Urso". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

R. C. D'URSO
Chief, Logistics Division